

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 ISO-00 AID-05 CIAE-00 COME-00 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 IO-13 DODE-00 PM-04 H-01 L-03 PA-01 PRS-01
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FM AMEMBASSY LIBREVILLE

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C O N F I D E N T I A L LIBREVILLE 0242

E.O. 11652: GDS

TAGS: EFIN, EGEN, GB

SUBJ: BONGO GETS FRESH COUNSEL OF AUSTERITY

SUMMARY: MAURICE TEMPLESMAN HAS ADDED HIS VOICE IN FAVOR
OF AUSTERITY AND ECONOMIC RESTRAINT BY GOG. END SUMMARY.

1. IN SERIES OF MEETINGS WITH PRESIDENT BONGO AND MINFINANCE
OKINDA DURING PERIOD JAN. 23-26, MAURICE TEMPLESMAN URGED
BONGO TO EXERCISE GREATER RESTRAINT IN GOG SPENDING
AND TO APPLY RIGOROUSLY AUSTERITY PLEDGES HE HAS MADE ON
SEVERAL OCCASIONS.

2. CONVERSATION ON THIS TOPIC EVIDENTLY BEGAN WITH REQUEST
FROM BONGO TO TEMPLESMAN TO HELP ARRANGE SUBSTANTIAL
ADDITIONAL LOANS FOR GOG. IN RESPONSE, TEMPLESMAN REPORTS
THAT HE LECTURED BONGO ON BASIC ECONOMICS OF GABONESE
SITUATION. HE TOLD HIM THAT COUNTRY'S CREDIT RATING
DEPENDS ON THREE THINGS -- RESOURCES, CIRCUMSTANCES, AND
MANAGEMENT. GABON, HE CONTINUED, HAS RESOURCES AND
WORLD ECONOMIC CIRCUMSTANCES ARE FAVORABLE FOR IT.
THUS, HE CONCLUDED, COUNTRY'S STANDING WITH INTERNATIONAL
FINANCIAL COMMUNITY WILL BE DETERMINED PRIMARILY BY
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WAY IT MANAGES ITS ECONOMY.

3. IN PARTICULAR, TEMPLESMAN CONTINUED, GABONESE NEED
TO BRING THEIR BUDGET AND THEIR FINANCES UNDER BETTER
CONTROL. HE SUGGESTED THAT BONGO SEEK CONSULTATIONS WITH
IMF AS MEANS OF SHOWING FINANCIAL COMMUNITY HE IS SERIOUS
ABOUT BRINGING HIS BUDGET UNDER CONTROL, AND THAT HE

ALSO GO BACK TO IBRD IN SEARCH OF LONG-TERM FINANCING FOR INFRASTRUCTURE PROJECTS. THESE MOVES, COMBINED WITH AN EVIDENT READINESS TO LIVE WITHIN THE BUDGET, WOULD DO WONDERS FOR GABON'S CREDIT RATING AND WOULD HELP THE GOG WEATHER ITS SHORT-TERM FINANCIAL CRUNCH.

4. ACCORDING TO TEMPLESMAN, OKINDA BEAMED THROUGHOUT SESSION, AND LATER TOLD TEMPLESMAN THAT ADVICE OFFERED EXACTLY PARALLELED WHAT HE HIMSELF HAS BEEN TELLING PRESIDENT. BONGO REPORTEDLY AGREED COMPLETELY WITH TEMPLESMAN'S PITCH, PROMISED TO LIMIT NEW EXPENDITURES STRICTLY TO ITEMS PROVIDED FOR IN BUDGET, AND SAID HE WOULD CONSIDER (BUT WITHOUT COMMITMENT) APPROACH TO IMF FOR CONSULTATIONS. FURTHER ENCOURAGING NOTE WAS BONGO'S DENUNCIATION AS "FRAUD" OF AUSTRALIAN "FINANCIER" HANSEN (76 LIBREVILLE 2615) WHO HAS EVIDENTLY NOT RETURNED WITH ANY OF LOANS HE PROMISED TO RAISE.

5. COMMENT: BONGO'S RECEPTIVITY TO TEMPLESMAN'S PITCH IS NO GUARANTEE THAT GOOD INTENTIONS WILL SURVIVE NEXT APPEALING OFFER FOR DEVELOPMENT PROJECT OR FAVORABLE FINANCING. HOWEVER, TEMPLESMAN IS ONE OF FEW PEOPLE WHOSE ADVICE IS SOUGHT AND WELCOMED BY PRESIDENT, SO THAT HIS APPEALS FOR AUSTERITY AND RESTRAINT ARE HELPFUL ADJUNCTS TO EFFORTS BY OKINDA AND OTHER TO BRING GOG FINANCES UNDER EFFECTIVE CONTROL.

6. PLEASE PROTECT TEMPLESMAN AS SOURCE OF ABOVE. STEIGMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC PROGRAMS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIBREV00242
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770029-0829
Format: TEL
From: LIBREVILLE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770113/aaaaalfs.tel
Line Count: 89
Litigation Code IDs:
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Litigation History:
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Message ID: b2c638d0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3487298
Secure: OPEN
Status: NATIVE
Subject: BONGO GETS FRESH COUNSEL OF AUSTERITY SUMMARY: MAURICE TEMPLESMAN HAS ADDED HIS VOICE IN FAVOR OF AUSTERITY AND ECONOMIC RESTRAINT BY GOG. END SU
TAGS: EFIN, EGEN, GB, (BONGO, ALBERT BERNARD)
To: STATE
Type: TE
vdkgvkey: odbcr//SAS/SAS.dbo.SAS_Docs/b2c638d0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009